IN THE

Supreme Court of the United States

No. 413.

October Term, 1951.

BONDHOLDERS, INC., PETITIONER,

versus

LEGH R. POWELL, JR., AND HENRY W. ANDERSON, AS RECEIVERS OF SEABOARD AIR LINE RAILWAY COMPANY, AND SEABOARD AIR LINE RAILROAD COMPANY, RESPONDENTS.

REPLY BRIEF OF PETITIONER.

At page 14 of their Brief in Opposition, Respondents state:

> "Certainly a bondholder acquiring bonds in 1950 is in no position to try to reopen those decisions at this time."

That statement is obviously included for the pur-

pose of conveying to this Court the erroneous impression that Bondholders, Inc., bought these bonds in 1950 for speculative purposes.

Bondholders, Inc., is a corporation whose stockholders are the former owners and holders of outstanding adjustment mortgage bonds. It is merely the mechanical vehicle by which such former holders of Adjustment bonds presented their opposition to the payment over to Seaboard Air Line Railroad Company of the last $6 million of assets of the old company without consideration of their bonds on the several grounds stated. It was formed for the sole purpose of enforcing such rights as those bondholders already had.

Bondholder's, Inc., is not a purchaser in 1950 of outstanding Adjustment bonds. It exchanged its stock for such bonds with their former owners. It has not *acquired bonds in 1950* in the sense that respondents obviously imply.

Petitioner contends that the equitable equivalent of the $6 million dollars of new and unexpected assets should be spread further to include Adjustment bonds on the same theory by which securities of prior dignity were *satisfied in full.* The $10 million of new assets available under Order No. 442A would not have reached Adjustment bonds. This petitioner would have had no interest in that distribution. Hence, that order is not *res adjudicata* as to it, as claimed at page 5 of the Respondent's brief.

Nor can respondents, having elected to proceed in equity on the theory of equitable satisfaction, now switch to the cash payment theory as a proper reason to oppose the extension of the equitable satisfaction to more junior securities upon the discovery of new and unexpected assets—as contended on page 5 of Respondent's Brief.

All of the bonds ahead of Adjustment Bonds, though not *paid* in full, have now been *satisfied in full,* out of the new assets made available by Orders 442A and 451A,

as contemplated by the Deposit Agreement quoted at page 6 of Respondent's Brief, and the Deposited Securities therein referred to are not now "in full force and effect" for any purpose of participation in the new and unexpected assets until more junior securities are also equitably satisfied by the same method adopted in the Plan of Reorganization.

Respectfully submitted,

FRANK B. GARY, JR.,
Columbia, S. C.,
AUBREY R. BOWLES, JR.,
Richmond, Va.,
PAUL A. COOPER,
Columbia, S. C.,
FRANK K. SLOAN,
Columbia, S. C.,
Attorneys for Petitioner.

PETITION FOR REHEARING OF ORDER DENYING PETITION FOR WRIT OF CERTIORARI

Supreme Court of the United States

OCTOBER TERM, 1951

Office - Supreme Co
FEB 11 19
CHARLES ELMORE C

No. 413

BONDHOLDERS, INC., PETITIONER

versus

LEGH R. POWELL, JR., and HENRY W. ANDERSON, AS RECEIVERS OF SEABOARD AIR LINE RAILWAY COMPANY, and SEABOARD AIR LINE RAILROAD COMPANY, RESPONDENTS.

FRANK B. GARY, JR.,
AUBREY R. BOWLES, JR.,
PAUL A. COOPER,
FRANK K. SLOAN,
Counsel for Petitioner.

The R. L. Bryan Company, Legal Printers, Columbia, S. C.

TABLE OF CITATIONS

PAGE

53 F. Supp., at pp. 679-680 2

60 Fed. Supp., at p. 616 3

Supreme Court of the United States

OCTOBER TERM, 1951

No. 413

BONDHOLDERS, INC., PETITIONER

versus

LEGH R. POWELL, JR., and HENRY W. ANDERSON, AS RECEIVERS OF SEABOARD AIR LINE RAILWAY COMPANY, and SEABOARD AIR LINE RAILROAD COMPANY, RESPONDENTS.

PETITION FOR REHEARING OF ORDER DENYING PETITION FOR WRIT OF CERTIORARI

Bondholders, Incorporated, prays that this Court grant rehearing of its order of January 28, 1952, denying the petition for writ of certiorari in this case, and that a writ of certiorari issue to review the judgment of the Court of Appeals for the Fourth Circuit in the above-entitled case as prayed for in the petition filed herein on November 5, 1951.

From a careful reading of Mr. Justice Frankfurter's opinion filed in connection with the denial of certiorari in this case, we think it may fairly be inferred that the Court as a whole has not considered the great public interest involved if future reorganizations should follow the principles implicit in the decisions of the District Court and the Court

of Appeals for the Fourth Circuit complained of. While the interest in these matters of the "Executive and the Congress" is recognized at least by some of the Court, no consideration seems to have been given to the impact of this decision upon the great body of private investors upon whom will depend in large measure the future financing not only of railroads but of all large corporations which may come to be reorganized under the admittedly unsatisfactory theories involved.

Public confidence must necessarily be shaken in the fairness of any theory of reorganization that permits funds that are expressly reserved against the possibility of inequalities created by "mere guess" when so demonstrated by hindsight, to be delivered over to those already equitably satisfied by the formula adopted instead of being spread further to those who would have participated in such satisfaction if the fallacy of such guess had not been committed.

In this specific case the inequity is plain. The Court is again reminded that this case is in equity and **not** in Bankruptcy where potential subsequent equities might have originally been eliminated.

Complaint was originally made by these bondholders that the base (the future annual earnings of the new railroad) was too low. They were told, however, that the greatly increased earnings in 1941, 1942 and 1943 were "the result almost entirely of wartime activities * * * and will not long continue". (53 F. Supp., at pp. 679-680.) On that illusory theory the junior securities were destroyed in massive proportions.

But, because of the possible error in that determination, then plainly recognized by the District Court on December 15, 1943, the Court expressly reserved to "be dealt with as the Courts may hereafter direct" all property in the hands

of the Receivers and all income that might be earned in the interim between the Sale Date (which later proved to be May 31, 1945) and the Delivery Date (which was July 31, 1946).

See Final Decree of Foreclosure and Sale, Sections 18.8, 18.14, at Printed Record, pp. 188, 191.

See 60 Fed. Supp. at p. 616, second paragraph of headnote (14).

But, when it became apparent that the income during that period would indeed be large, as these bondholders had already predicted, by a new device (Reorganization Agreement of May 25, 1945, Printed Record, page 197) those security holders already satisfied undertook to grab the reserve fund also. That additional equitable equivalent was spread **thicker** over those that had already obtained full equitable satisfaction, instead of being spread **further** (in accordance with the plan) to those who would also have received equitable satisfaction under the plan in the first instance if the District Court had not persisted in the plainly apparent error originally pointed out to him and now made certain.

Not only is the whole theory of reorganization subject to revision in order to inspire the confidence of future investors in the soundness of the basic principles involved, but, if this decision stands, such future investors can have no confidence that any basic principle agreed upon as proper will not in the future likewise be changed in the middle of the proceedings (as we submit was done here) to accomplish the enrichment of those able to persuade a District Court to reach an erroneous and inequitable conclusion.

In this case, it seems to be conceded that an error of judgment has been committed in at least one of the

basic factors necessary to the accomplishment of equal justice for all securities involved in this reorganization. It appears also to be conceded that the result of that error is the destruction of these bondholders' property. Now, the potential fund expressly reserved to partially correct that error, if subsequently demonstrated (as it has been), is used, when it materialized in fact, to further inequitably add to the shares of those who had already received all they were intended to receive under the very plan that is now relied on to exclude these bondholders for whose protection the fund was so reserved.

These bondholders are advertent to the lively interest of the Executive and of the Congress in the subject of railroad reorganization as shown by the reports of its committes. In this case, the net effect of the erroneous judgment is, we submit, that the most junior securities that were permitted to participate in the plan were not only able to take over for a mere fifty-two million dollars a railroad system that well may be worth half a billion dollars, but also in addition to grasp the six million dollars that was intended and ought, under the reservation of potential income provided for by the plan, to relieve in part the admitted inequity suffered by these complainants.

That situation, like many others at the moment, is impressed with a great public interest affecting public confidence and trust. It also materially affects the public support of corporate financing. Such a public interest suggests, we respectfully submit, the affirmative settlement of these issues by this court rather than the denial of certiorari.

It is respectfully urged that the denial of certiorari in this case ought to be reconsidered, and, upon rehearing,

a writ of certiorari to the Court of Appeals for the Fourth Circuit should issue.

FRANK B. GARY, JR.,

AUBREY R. BOWLES, JR.,

PAUL A. COOPER,

FRANK K. SLOAN,

Counsel for Petitioner.

CERTIFICATE OF COUNSEL

We hereby certify that the foregoing petition for rehearing is presented in good faith and not for delay and is restricted to grounds specified in Rule 33 of the rules of this Court.

FRANK B. GARY, JR.,

AUBREY R. BOWLES, JR.,

Counsel for Petitioner.

Office - Supreme Court, U. S.
FEB 21 1952
CHARLES ELMORE CROPLEY
CLERK

IN THE

Supreme Court of the United States

No. 413

BONDHOLDERS, INC.,

Petitioner,

vs.

LEGH R. POWELL, JR. and HENRY W. ANDERSON, as Receivers of SEABOARD AIR LINE RAILWAY COMPANY, and SEABOARD AIR LINE RAILROAD COMPANY,

Respondents.

RESPONSE TO PETITION FOR REHEARING OF ORDER DENYING PETITION FOR WRIT OF CERTIORARI.

JAMES B. McDONOUGH, JR.,
Seaboard Air Line Railroad Building,
Norfolk, Virginia,
Counsel for Respondents.

HAROLD J. GALLAGHER,
15 Broad Street,
New York, N. Y.,

LEONARD D. ADKINS,
15 Broad Street,
New York, N. Y.,

W. R. C. COCKE,
Citizens Bank Building,
Norfolk, Virginia,
Of Counsel.

Dated, February 19, 1952.

IN THE

Supreme Court of the United States

No. 413

BONDHOLDERS, INC.,

Petitioner,

vs.

LEGH R. POWELL, JR. and HENRY W. ANDERSON, as Receivers of SEABOARD AIR LINE RAILWAY COMPANY, and SEABOARD AIR LINE RAILROAD COMPANY,

Respondents.

RESPONSE TO PETITION FOR REHEARING OF ORDER DENYING PETITION FOR WRIT OF CERTIORARI.

The petition for rehearing makes no arguments for granting certiorari which were not covered by the original petition. It relies largely on Mr. Justice Frankfurter's opinion written in connection with the denial of certiorari.

That opinion is to the effect that in some cases earnings of reorganized railroads after reorganization have proved that the estimated prospective earnings used as a basis for fixing capitalization were too low, so that the reorganization plans were unduly drastic.

We respectfully submit that Mr. Justice Frankfurter's application of that view to the Seaboard reorganization is based on a misapprehension of the basis on which the capitalization of the reorganized Seaboard was fixed. In Judge Chesnut's opinion approving the plan (*Guaranty Trust*

Co. v. *Seaboard Air Line Railway Co.*, 53 Fed. Supp. 672 (D. C. E. D. Va., 1943)) it is stated (pp. 679-680) that charges on the new capitalization through dividends on preferred stock, *but before dividends on common stock,* aggregated $6,808,500. The Plan contemplated the issue of 850,000 shares of common stock without par value, which was allotted to bondholders at $100 per share in respect of their claims. Obviously the Plan must have contemplated that normal earnings would be sufficient to pay reasonable dividends on the common stock.

A dividend of $5 per share on the common stock would amount to $4,250,000 per annum, and under the provisions of the Plan the Company is required to pay into a sinking fund for its obligations an amount equal to all dividends on common stock in excess of $2 per share, which would require another $2,550,000. If those two amounts are added to the approximately $6,800,000 required for charges through preferred dividends, the total is approximately $13,600,000. The Total (Gross) Income of the Reorganized Company for the period of five years and five months of its operations from August 1, 1946, to December 31, 1951, averaged approximately $14,548,061 per annum, or only a little more than enough to cover the payments aforesaid.

Obviously a common stock which could not pay at least an average of $5 in dividends a year would not be adequate to satisfy creditors' claims when taken at $100 per share, so that even if the senior creditors' claims had been satisfied in full on that basis (which they were not) there could be no basis for participation by junior creditors except on a basis of estimated earnings much larger than the actual earnings have been. As a matter of fact, Seaboard common stock (allocated to creditors at $100 per share, as stated above) has never sold in the market at a price higher than $77 per share, which price was not reached until January

of this year. Dividends on the common stock of $4.25 per share were declared in 1951, the last quarterly dividend, paid in December, 1951, being $1.25 per share, and that market price would appear to assume the continuation of quarterly dividends at that rate.

Mr. Justice Frankfurter's opinion does not suggest how any inequity in the Seaboard Plan of Reorganization could be corrected at this time—more than five years after the final consummation of the reorganization. If it were possible for reorganization plans to be reopened and reexamined after they were consummated, it would, of course, be impossible for any security holders who received new securities to sell those securities in the market or otherwise to realize on their claims.

Even if it were in any way possible to reopen the Seaboard Reorganization Plan and readjust the allocations of securities thereunder, it is clear that such a procedure could not benefit the holders of the Adjustment Bonds. It is beyond question, as we pointed out in full in our answer to the original petition for certiorari, that the unsatisfied claims of bondholders senior to the Adjustment Bonds are far in excess of the $6,000,000 now in controversy, even after crediting on such claims the $10,000,000 proceeds of sale of the property sold pursuant to Order No. 442-A which has become final and was never attacked by these petitioners or by anyone else. Under the order appealed from the $6,000,000 in controversy is being applied for the benefit of the holders of bonds senior to the Adjustment Bonds, whose claims were not fully satisfied.

The statement in the petition for rehearing that the courts reserved property not sold by the Final Decree "to be dealt with as the courts may hereafter direct" because of a possible error in the determination of prospective earnings is completely untrue and unjustified by anything in the

record. Neither the Final Decree of Foreclosure and Sale nor the court's opinion reported in 60 Fed. Supp. at page 607 contains the slightest support for that assertion. In fact the properties not sold pursuant to the Final Decree were reserved for later action simply because it was impossible then to determine the value of those properties or an appropriate upset price therefor.

It is respectfully submitted that events subsequent to the consummation of the Seaboard reorganization in 1946 have not shown that the Reorganization Plan was unduly drastic and that even if the contrary were true (a) there is no power in the courts at this time to modify the Reorganization Plan and (b) even if such a modification were possible it would have to be for the benefit of the unsatisfied claims senior to the Adjustment Bonds and not for the benefit of the Adjustment Bonds. Accordingly the petition for rehearing should be denied forthwith.

Dated, February 19, 1952.

Respectfully submitted,

James B. McDonough, Jr.,
Seaboard Air Line Railroad Building,
Norfolk, Virginia,
Counsel for Respondents.

Harold J. Gallagher,
15 Broad Street,
New York, N. Y.

Leonard D. Adkins,
15 Broad Street,
New York, N. Y.

W. R. C. Cocke,
Citizens Bank Building,
Norfolk, Virginia,
Of Counsel.

FILED
FEB 29 1952
CHARLES ELMORE CRO
CL

Supreme Court of the United States

OCTOBER TERM, 1951

No. 413

BONDHOLDERS, INC., PETITIONER,

versus

LEGH R. POWELL, JR., and HENRY W. ANDERSON, AS RECEIVERS OF SEABOARD AIR LINE RAILWAY COMPANY, RESPONDENTS.

REPLY TO RESPONSE TO PETITION FOR REHEARING OF ORDER DENYING PETITION FOR WRIT OF CERTIORARI

FRANK B. GARY, JR.,
Columbia, S. C.
AUBREY R. BOWLES, JR.,
Richmond, Va.
PAUL A. COOPER,
Columbia, S. C.
FRANK K. SLOAN,
Columbia, S. C.

Dated Feb. 27, 1952.

The R. L. Bryan Company, Legal Printers, Columbia, S. C.

TABLE OF CASES CITED

PAGE

Group of Inst. Investors v. Chicago, M. St. P. & P. R. Co., 318 U. S. 523, 63 S. Ct. 727, 87 L. Ed. 959 ....2, 5

Guaranty Trust Co. v. Seaboard Air Line Ry. Co., 53 F. Supp. at pp. 681, 698-701 2

Guaranty Trust Co. v. Seaboard Air Line Ry. Co., 60 F. Supp at 607, 613 4

Supreme Court of the United States

OCTOBER TERM, 1951

No. 413

BONDHOLDERS, INC., PETITIONER,

versus

LEIGH R. POWELL, JR., and HENRY W. ANDERSON, AS RECEIVERS OF SEABOARD AIR LINE RAILWAY COMPANY, RESPONDENTS.

REPLY TO RESPONSE TO PETITION FOR REHEARING OF ORDER DENYING PETITION FOR WRIT OF CERTIORARI

The Respondents, the Receivers of the old Seaboard Air Line Railway Company and the new Seaboard Air Line Railroad Company, do not deny in their response the very great **public interest** involved in this case.

The Respondents construe Mr. Justice Frankfurter's opinion on the denial of certiorari as a conclusion that the inadequate estimates of prospective earnings in some of the railroad reorganizations have resulted in "unduly drastic" and therefore inequitable reorganization plans and charge that Mr. Justice Frankfurter was mis-led in applying that conclusion to the Seaboard Receivership by "a misapprehension of the basis on which the capitalization of the reorganized Seaboard was fixed." In so doing the Re-

spondents have now at long last admitted what we have asserted from the first—that the Reorganization Agreement of May 25, 1945 (Printed Record, page 197) was nothing more nor less than a new device conceived when it was realized that revenues were continuing on a high level to escape from the theory of reorganization based on "full compensatory treatment" by allocating an "equitable equivalent" in full satisfaction of claims as required by the *Milwaukee Case*[1] and to shift the remainder of the proceeding to the cash payment theory instead, in order to recapture the unexpectedly large earnings that developed between the Sale Date (Mar. 31, 1945) and the Delivery Date (July 31, 1946), which had been expressly reserved from the sale by section 18.14 of the Final Decree of Foreclosure and Sale.

By so doing, the Respondents have necessarily conceded the paramount public interest in the obvious question whether the basic theory of any reorganization plan can be changed in the middle of the proceeding in order to favor those who have already benefited by it and to prevent a proper application of that theory to new assets for the benefit of those not previously participating.

Judge Chesnut himself recognized the basic distinction between the procedure in equity and that under the statute. He left that choice to those already participating in the Plan of Reorganization. They elected to remain in Equity and Judge Chesnut approved that election notwithstanding his personal preference to the contrary. (*Guaranty Trust Co. v. S. A. L. Ry.*, 53 Fed. Supp. at pp. 698-0.)

In Equity, unsatisfied creditors may have a right to participate in new assets even though they may not have been allowed to obtain satisfaction of their claims from

---

[1] *Group of Inst. Investors v. Chicago, M., St. P. & P. R. Co.*, 318 U. S. 523, 63 S. Ct. 727, 87 L. Ed. 959.

property originally available. Only the complete exhaustion of assets ultimately eliminates the claims of creditors in Equity.

It is quite true that the recommended capitalization of the new company shown at page 679 of 53 Fed. Supplement does not compute dividends on common stock. It did not purport to do so. It purported only to consider fixed charges including dividends at 5% on preferred stock.

But, our opponents do not suggest that the common stock under consideration constituted $85,000,000.00 of the total capitalization of the new company of $185,000,000.00, nor that such common stock was allocated to **all** of the participants in the plan except those paid off wholly in cash and the two creditors considered to have the best security, the Carolina Central R. R. Co., and the Florida Central and Penninsular R. R. Co., who were paid partly in cash and partly in new mortgage bonds at par.

All of these creditors senior to the Adjustment Bonds, and particularly the SAL Rwy., First 4's and Refunding 4's were allotted the new securities, including the common stock at par. This was deemed to be the **equitable equivalent** resulting in "full compensatory treatment" upon which it was deemed equitable to pass from senior to junior securities in the allocation of the new securities. (See Table, 53 Fed. Supp., at p. 701.)

If the erroneous guess as to estimated income had not been made, and a more accurately established base of higher annual income had been admitted, that base would have supported more new securities, some of which additional securities at least would presumably have been additional common stock at par. Spread further on the same theory of equitable satisfaction the Adjustment 4's would have received new securities in proportion to their equity and

would have been included in the plan. They were excluded solely because of the erroneous guess.

Any additional assets arising must necessarily be distributed on the theory of "full compensatory treatment" by the distribution of additional "equitable equivalent". All creditors would have to be thus satisfied before any not previously paid in full could equitably be fully paid out of the equitable equivalent due to the next junior creditor.

Our opponents now reveal their admitted shift to the **cash payment** theory in order to reach the fund reserved by Section 18.14 of the Final Decree of Foreclosure and Sale. They argue that a dividend of $5.00 per share is necessary to make the common stock worth par. But it was never claimed to be worth par in the original allocation of "equitable equivalents".

On Dec. 15, 1943, Judge Chesnut estimated the actual values as follows: new first mortgage bonds at a little less than par; income mortgage bonds at 50; preferred stock at 25 to 30; common stock at 10 to 15. (53 Fed. Supp. at p. 681.)

On April 30, 1945, Judge Chesnut estimated the actual value of the same securities as follows: new first mortgage bonds, 101; income mortgage bonds, 80; preferred stock, 66; and common stock, 27. (*Guaranty Trust Co. v. S. A. L. Ry.*, 60 Fed. Supp. at p. 613.)

This improvement in actual value was said by Judge Chesnut to be directly attributable to the approval of the plan and the continued "high level of railroad earnings * * * with prospects of very satisfactory net earnings for the current year although in reduced amount." (60 Fed. Supp. at p. 613.)

The earnings for 1944 referred to by him were $22,892,482.00. It is thus plain that at the time the allocation of

securities was made in conformity with the theory of "full compensatory treatment" so that the new securities would be the "equitable equivalent of the old", as required by the *Milwaukee Case, supra,*[2] no such assumption was made that a $5.00 dividend was contemplated as a condition of such compensatory treatment. A 5% dividend on a $15.00 value or even on a $27.00 value of common stock is a very different matter from a 5% dividend on a $100.00 value of common stock.

Respondents now assert that a $5 annual dividend is necessary to warrant the assumption that the **actual** value of the common stock allocated would be $100.00. By that contention they inevitably admit:

(1) That they now seek to establish their right to the $16,000,000.00 **not** on the compensatory treatment by equitable equivalents, but on the cash payment theory; and

(2) That, if the common stock has paid $5.00 per share so as to be actually worth the allocated value of $100.00, the bondholders ahead of this petitioner have not only been **satisfied** in full, but have also been **paid** in full.

We are accused of statements "completely untrue and unjustified by anything in the record." In complete support of our Statement we point to the following.

In his opinion of April 30, 1945 (60 Fed. Supp. 607) Judge Chesnut reviewed at pages 615 and 616 the reasons in favor of "somewhat higher upset prices" and chief among them listed the "continuation of comparatively large net earnings for the last two years." Among the offsetting factors was the erroneous guess—"No one reasonably expects the present high operating revenues or net

[2] *Group of Inst. Investors v. Chicago, M., St. P. & P. R. Co.*, 318 U. S. 523, 63 S. Ct. 727, 87 L. Ed. 959.

earnings to be long maintained after the war." He then carefully explained that upset prices were necessary in equity only in order to establish for nonassenting creditors the present cash value of the "equitable equivalent" allocated under the plan to the assenting creditors. The upset price is then the present **cash value** of all the "equitable equivalent" that has been allocated on that guess of the future annual net earnings. Judge Chesnut's explanation of why he fixed the upset price at $52,000,000.00 then follows:

> "In reaching this conclusion we have also borne in mind the provision of the decree which gives to the receivership estate, and not to the purchaser, the net revenues from the operation of the property as provided for in the accounting to be made between the receivers and the purchaser, which amount it is estimated may be several million dollars."

Our opponents also argue that there is no power in the courts to modify the Reorganization Plan. This proceeding is in **equity** and there is power always in an equity court to correct any injustice, particularly when the fund out of which such correction can be made has been expressly reserved by the lower court from the final decree in order that it may later "be dealt with as the courts may hereafter direct." Appellant is here seeking a correction of such later erroneous direction by the lower court.

And finally, it is argued that the Adjustment Bonds could not benefit in any event. We have shown not only that a proper estimate of annual income would have produced an equitable equivalent in new securities sufficient to include the Adjustment Bonds in such allocation, but also that the equitable equivalent of the $16,000,000.00 of new assets dealt with by Orders 442A and 451A is sufficient to

accomplish the same purpose; and also that the dollar value of such equitable equivalent, calculated by the same means set up by Judge Chesnut in arriving at his upset values, would result in a participation by the Adjustment Bonds on a dollar basis in that $16,000,000.00. Such participation will carry out the Reorganization Plan rather than upset it.

We most respectfully submit that the Respondents have in their response most clearly demonstrated and emphasized the great public interest as well as the compelling equity in our prayer for certiorari in this matter.

FRANK B. GARY, JR.,
Columbia, S. C.

AUBREY R. BOWLES, JR.,
Richmond, Va.

PAUL A. COOPER,
Columbia, S. C.

FRANK K. SLOAN,
Columbia, S. C.
Attorneys for Petitioner.